Bulk Petroleum Executive Agent Update

Army Petroleum Advisory Conference

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DESC-DC

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EA Agenda

Defense Energy Support Center

Current Status of Bulk Petroleum EA

- EA Defined
- EA Vision
- EA Chronology
- EA Authorities
- EA Component Steering Group
  - Membership
  - Integrated Process Teams (IPTs)

EA Defined

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Executive Agent: The Head of a DoD Component to whom the Secretary of Defense or the Deputy Secretary of Defense has assigned specific responsibilities, functions, & authorities to provide defined levels of support for operational missions, or administrative or other designated activities that involve two or more of the DoD Components. The nature & scope of the DoD Executive Agents' responsibilities, functions, & authorities shall:

- Be prescribed at the time of assignment
- Remain in effect until the Secretary of Defense or the Deputy Secretary of Defense revokes or supersedes them.

DoD Directive 5100.88

EA Vision

- Execute Supply Chain Management for all bulk petroleum owned by the DoD from source of supply to the point of customer acceptance
- Improve support to the warfighter by ensuring peacetime efficient & wartime effective customer support
- Procure, store & distribute bulk petroleum to all customers of the DoD wherever & whenever it is needed
- Integrate civil & military petroleum capabilities to the maximum extent feasible throughout the world where ops occur
- Provide fuel & information support to Combatant Commanders to meet their operational requirements

EA Chronology

- Deputy Under Secretary of Defense/ Logistics & Material Readiness 15 Feb 2002 Memo directed DLA to prepare draft DoDD for Bulk Petroleum (5101.xx)
- Internal DESC meeting 5-6 Mar 2002
- Component meeting 19-20 Mar 2002
- IPT meetings 9-11 Jul 2002
- EA Directive Coordination Meeting 22 Nov 2002
- Draft 5101.xx Directive went into formal coordination 22 May 2003
- Estimated additional 6 week delay for final directive due to OSD (DA&M) non-concurrence with EA assignments

Bulk Petroleum EA Authorities

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In collaboration with the military services and combatant commands:

- Full authority to manage the entire bulk petroleum supply chain from procurement to end point customer sale
  (Draft DoDD 5101.xx Para 4.1)

- Authority to determine standard common bulk petroleum handling equipment & training standards
  (Draft DoDD 5101.xx Para 5.6.3, 5.6.6, 5.6.7.2)

- Authority to procure, distribute, maintain, & centrally store common tactical petroleum equipment upon agreement of the Services
  (Draft DoDD 5101.xx Para 5.6.4)

Bulk Petroleum EA Authorities

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- Authority to fully engage in petroleum planning activities with Services & Combatant Commanders to share and leverage available DoD resources
  (Draft DoDD 5101.xx Para 5.6.1, 5.6.7.1, 5.6.7.2)

- Authority to standardize quality policy & procedures across the DoD bulk petroleum supply chain
  (Draft DoDD 5101.xx Para 5.6.10)

- Establish & chair a DOD Component Steering Group (CSG) that will use Integrated Process Teams to fulfill EA responsibilities
  (Draft DoDD 5101.xx Para 5.6.11)

EA Component Steering Group

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Joint forum to assist EA in discharging responsibilities

- Chaired by DESC Director
- DESC-DC designated as CSG Executive Secretary
- Membership:
  - JCS/J4 Petroleum Officer
  - DESC Director of Operations
  - AFPET Commander
  - NAVPETOFF Commander
  - Department of the Army/G-4
  - Petroleum Officer HQMC, DC, Installations and Logistics, Engineer Advocacy Center
  - Combatant Commands

CSG Integrated Process Teams (IPTs)

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- Potential IPTs
  - Combatant Command/DESC Integration
  - Equipment/Training Standardization
  - Quality Standardization
  - Petroleum End-to-End Distribution (includes Host Nation Support)
  - Resources (lagging IPT)
  - Information Management
- CSG to Formalize IPT Process

Integrated Process Teams

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Combatant Command/DESC Integration

Desired Outcome

- Informed, responsive, centralized planning & execution for Class III bulk petroleum support to the Combatant Commanders
- Comprehensive & effective customer relationship management
- Streamlined petroleum requirements & information flow between the war fighter (JPO) & DESC

Integrated Process Teams

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Combatant Command/DESC Integration

Potential Alternatives to be Evaluated

Alt 1. DESC Liaison Officer (LNO) assignments satisfy integration requirement

Alt 2. Expand role of LNOs presently embedded at the Combatant Command JPO staffs to ensure full span customer relationship management (CRM) objectives are met

Alt 3. DESC regionalization to align with Combatant Command AOR

Alt 4. Integrate Service Control Points into EA

Integrated Process Teams

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Equipment/Training Standardization

Desired Outcome

- Standardized petroleum equipment for all Services
- State of the art joint systems that are lighter, have fully interchangeable spare parts, require less manpower to setup/operate, & that quickly/safely receive/store/issue petroleum to meet the Combatant Commanders mission
- Standardized acquisition & maintenance programs for equipment
- Interoperability of future petroleum handling equipment & effective use of present Component petroleum equipment inventory
- Standardized training for basic petroleum operations & joint use of common fuels equipment; specialized Component training

Integrated Process Teams

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Equipment/Training Standardization

Potential Alternatives to be Evaluated

Alt 1. Facilitate standardization of common tactical fuels equipment, i.e., develop joint specifications to ensure interoperability, develop joint training standards etc.

Alt 2. Provide funding for common petroleum equipment & joint training

Alt 3. Provide fuels equipment life cycle management to include requirements development, R&D, funding, acquisition, ownership, management, & control of all common petroleum equipment; manage & fund joint training program

Integrated Process Teams

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Petroleum Quality Standardization

Desired Outcome

- Standardized DoD petroleum quality policy, specifications, & procedures
- Joint DoD program oversight of all bulk petroleum quality surveillance
- Effective & efficient organization structure for DoD Petroleum laboratory infrastructure

Integrated Process Teams

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Petroleum Quality Standardization

Potential Alternatives to be Evaluated

Alt 1. Publish & distribute standard petroleum quality policy, procedures & specifications

Alt 2. Optimize mix of organic military & commercial laboratories

Alt 3. Transfer budgeting, funding, operation, & management of Component fuels laboratory infrastructure

Integrated Process Teams

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Petroleum End-to-End Distribution

Desired Outcome

- Responsive support to war fighter rear area petroleum functions by shared & leveraged DoD resources to reduce costs & avoid unnecessary redundancies
- Seamless integration of all elements of the bulk petroleum supply chain
- Maximum use of established bulk petroleum supply & distribution infrastructure with necessary augmentation & mixture/blend of commercial contract & military assets
- Standard point of sale definition (last tactical mile)

Integrated Process Teams

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Petroleum End-to-End Distribution

Potential Alternatives to be Evaluated

Alt 1. LNO serves as EA representative on JPO staff to ensure all desired outcomes are met

Alt 2. Establish standing (in-place) commercial contracts to support rear area petroleum functions to include tactical bulk fuel storage, airfield storage & distribution, & inland distribution

Alt 3. Consolidate component fuels personnel & assets (Variation of the UK DFG model)

Integrated Process Teams

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Resources

Desired Outcome

- Responsive support to warfighter rear area petroleum functions by sharing & leveraging DoD resources to reduce costs & avoid unnecessary redundancies
- Seamless integration of all elements of the bulk petroleum supply chain
- Achieve maximum use of established bulk petroleum supply & distribution infrastructure with necessary augmentation & mixture/blend of commercial contract & military assets
- Provide program support compliant with PPBS

Integrated Process Teams

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Resources

Potential Alternatives to be Evaluated

Alt 1. Continue funding Combatant Command LNO positions

Alt 2. Provide funding for R&D, acquisition, ownership, management, & control of all common tactical equipment & joint training program

Alt 3. Provide funding for all fuels handling equipment used throughout the supply chain to the point of sale. Fund for commercial contracts to support rear area petroleum functions

Integrated Process Teams

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Information Management

Desired Outcome

- Integrated information system to fully support EA implementation (quality, personnel, facilities, equipment)
- Management information & accounting system in compliance with DoD FMR
- Comprehensive visibility of government, allied, coalition, host nation, & commercial bulk petroleum assets
- Incorporate DESC IM system into the DLA BSM system

Integrated Process Teams

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Information Management

Potential Alternatives to be Evaluated

Alt 1. Maintain current FAS capability for inventory & financial accounting

Alt 2. Develop & field a web-based & automated REPOL capability

Alt 3. Develop & field through the DLA Integrated Data Environment a petroleum information management & enterprise system to include petroleum & propellant facility/equipment inventories & status, personnel qualifications & status, & full span quality surveillance

Bulk Fuels EA

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Summary

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- EA Vision
- EA Chronology
- EA Authorities
- EA Component Steering Group